



Doing Business in Swaziland: 2012 Country

Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Swaziland

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Market Overview

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- Swaziland is a small country (slightly smaller than New Jersey), with a population of 1.1 million. It is bordered by South Africa and Mozambique.
- According to official estimates, real gross domestic product (GDP) growth at 1.3 percent in 2011 compared to 2 percent in 2010. The weak economic performance observed in 2011 can be explained by a number of factors including the prevailing fiscal challenges of government, depressed external demand stemming from the global economic downturn, and the continued presence of long-standing structural impediments to growth. Inflation averaged 6.92 percent between October and December of 2011. The last quarter of 2011 witnessed successive increases in the headline inflation rate which presently stands at 7.76 percent.
- Swaziland is heavily dependent on South Africa, from which it receives more than 80 percent of its imports and to which it sends 60 percent of its exports.
- Swaziland's currency, the Lilangeni, is pegged to the South African Rand at par.

Market Challenges

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- Swaziland faces serious socio-economic challenges, including sluggish economic performance, food insecurity, poverty, the highest HIV/AIDS prevalence rate in the world, and growing unemployment.
- The ongoing fiscal challenges in 2010/2011 increased in severity as the year progressed resulting in steep expenditure cuts on goods and services by government, particularly with regard to capital projects. A sharp decline in Southern African Customs Union (SACU) receipts from 20.5 percent of GDP in 2009/2010 to 9.5 percent in 2010/11 was the driver of the kingdom's cash flow problems.
- A decline in textile and wood pulp exports also impacted negatively on the growth performance of the economy. A wood pulp company, SAPPI, closed at the end of January 2010. The country's textile exports to the United States under the African Growth and Opportunity Act (AGOA) declined by 14.1 percent in the second quarter of 2011 following reduced orders for locally produced garments.

- The real appreciation of the lilangeni's exchange rate against the U.S. dollar, and other trading partners' currencies, reduced the value of exports destined to markets outside the Common Monetary Area in 2010/2011.
- Swaziland performs poorly in terms of procedures and time required to do and start a business, as indicated in the World Bank Doing Business Reports 2011 and 2012.

Market Opportunities

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- Suppliers of seeds, pesticides and storage for these products could find opportunities for new sales.
- Railroad equipment, transportation, automotive parts, textiles, and apparel inputs have good prospects in the Swaziland market.
- Franchising opportunities for U.S. business, such as restaurants and retail shops, are plentiful in Swaziland and have been successful in the past.
- The Public Procurement Regulations were published in 2008 in terms of the Finance and Audit Act of 1967, whose sole responsibility was to regulate the procurement of goods, works and services of government ministries and departments. U.S. companies could find opportunities to sell to the government.
- The Financial Services Regulatory Authority Act became law in February 2010. The act provides for the regulation and supervision of nonbank financial service providers. The securities industry is still in its infancy.
- The government, in its Fiscal Adjustment Roadmap (FAR) of 2010/11-2014/15, states that it intends to pilot a public-private partnership and privatization program. Through this program the government hopes to attract foreign capital for investment in historically public sector areas, including service delivery.

Market Entry Strategy

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- The Embassy recommends contacting the Swaziland Investment Promotion Authority (SIPA), which can help to register companies and secure premises. SIPA, which in 2011 increased the scope of its operations, aims to be a one-stop shop for potential investors. SIPA handles both market entry assistance as well as investor aftercare.
- The Embassy advises potential investors to visit Swaziland prior to establishing a business. Some foreign businesses partner with Tibiyio Taka Ngwane, the Swaziland Industrial Development Company (SIDC), and SWAKI (Swaziland Kirsh Industries). See Chapter 3, Joint Ventures, for more information.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/2841.htm>

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Using an Agent or Distributor

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Marketing U.S. goods and services may be best accomplished through bases or agents in South Africa. The Foreign Commercial Service office at the U.S. Consulate General in Johannesburg can help U.S. businesses interested in accessing Swazi markets find agents and partners in South Africa. In addition, the following organizations are available to help foreign businesses find distributors and partners in Swaziland:

- The Swaziland Investment Promotion Authority (SIPA) and Swaziland Industrial Development Company (SIDC) can help with finding partners.
- Swaziland Kirsh Industries (SWAKI) offers local expertise to foreign businesses on a diversity of projects and can help larger enterprises not yet represented in Swaziland to establish retail outlets.
- The Small Enterprise Development Company (SEDCO) helps small- and medium- sized enterprises (SMEs) to reach their full potential through training in business management. SEDCO also directs SMEs to available opportunities.

Swaziland Investment Promotion Agency
7th Floor, Mbandzeni House
Church Street, P.O. Box 4194
Mbabane H100, Swaziland
Tel.: (268) 2404-0470/4
Fax: (268) 2404-3374
<http://www.sipa.org.sz>

Swaziland Industrial Development Company
5th Floor Dlanubeka Building
P.O. Box 866
Mbabane H100, Swaziland
Tel.: (268) 2404-3391
Fax: (268) 2404-5619
E-mail: sidc@africaonline.co.sz
<http://www.sidc.co.sz>

SWAKI Group of Companies
4th Floor Lqhaga House
P.O. Box 1839
Manzini H100, Swaziland
Tel.: (268) 2505-2693
Fax: (268) 2505-2001
E-mail: info@swaki.co.sz
<http://www.swaki.co.sz/>

Small Enterprise Development Company (SEDCO)
Government Stores Road
Mbabane
Tel: +268 2404-2811/2
Fax: +268 2404-0723
E-mail: business@sedco.co.sz
<http://www.sedoc.biz>

Establishing an Office

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The Swaziland Investment Promotion Authority (SIPA) is a government agency created to promote, attract and assist the establishment of both local and foreign enterprises. SIPA is the logical first point of contact for a new business in Swaziland. The following are SIPA's guidelines for establishing operations in Swaziland:

- **Business Registration:** SIPA facilitates the registration of the company through legal practitioners (Companies Act of 2009). Costs range between USD 400-800 including the registrar of companies' costs.
- **Immigration:** SIPA handles the applications for entry permits on behalf of the investor. Medical certificate, certificates of association, share certificates, bank statements, police clearances and two passport size photos are required. Permit fees range from USD 100 for up to 12 months to USD 350 for up to five years.
- **Trading Licenses:** SIPA will also handle this application (Trading Licenses Order No. 20 of 1975). The cost of the license is USD 700.
- **Utilities Services:** Applications are handled by SIPA.
- **Environmental Compliance:** All non-services related businesses are required by law to apply for approval from the Swaziland Environmental Authority, a

process that SIPA fully facilitates. All waste-creating industries are required by law to undertake an environmental impact assessment.

- **Factory Inspectorate and National Provident:** Law requires these registrations. The registration process is facilitated by SIPA.
- Foreign investors have encountered some difficulties working with SIPA and with government regulations outside of SIPA's scope. A May 2005 study by USAID's Regional Center for Southern Africa, the "Swaziland Investor Roadmap" describes in detail the problems encountered by investors in Swaziland. The study (available at: http://mbabane.usembassy.gov/local_links.html) outlines many step-by-step procedures related to employing, reporting, locating, and operating in Swaziland.
- Two common problems described in the "Swaziland Investor Roadmap" are:

1. Trading License/Entry Permit: The current procedures require a trading license to obtain an entry permit while simultaneously requiring an entry permit to obtain a trading license. In practice, an investor must negotiate with both, the Department of Immigration and the Ministry of Commerce, Industry and Trade to reach an informal agreement as to which permission will be granted first.

2. Entry Permit Review: Some investors complain that the review of applications for employee entry permits can vary; thus, employers cannot predict if and when an employee will be able to work legally in the country.

The U.S. Embassy in Mbabane continues to work with SIPA and the government in general to clarify the issues raised in the "Swaziland Investor Roadmap." As circumstances change, this document will be updated accordingly.

Franchising

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Franchising opportunities for U.S. business, such as restaurants and retail shops, are plentiful in Swaziland. Franchises in Swaziland are mostly South African, or come to Swaziland by way of a South African entity that has purchased master franchise rights to the region, e.g. Kentucky Fried Chicken, John Deere, Bandag Tyres, FedEx, and DHL.

In the past, South African buyers have allegedly taken advantage of foreigners' ignorance of Swaziland's political independence, and illegally set up franchises in Swaziland without having proper licensing for the country. Swazi business people are thus often suspicious of new franchises in the country. Master franchise deals exclusively for Swaziland or for the region are not subject to restrictions beyond the requirements of any other business arrangement.

There are several urban centers that could support a variety of franchise types. Swazi business people are very interested in cutting their own deals with U.S. and other foreign firms for franchising rights instead of going through South Africa.

Uneasiness with South African dominance in regional franchising extends across southern Africa and can be an important factor for U.S. firms who may consider selling Swazi franchising rights directly to Swaziland-based buyers or also consider a Swazi franchiser for the broader region. There are Swazis interested in becoming regional franchisers who can command the resources necessary to do so.

The disadvantage of Swaziland-based franchising is the lack of a strong manufacturing base. In certain ventures, South Africa's ability to more readily provide needed supplies gives it an advantage.

Direct Marketing

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There are no restrictions against U.S. companies marketing their goods in Swaziland. The government's annual Swaziland International Trade Fair, held the last week of August or the first week of September, welcomes international companies for marketing purposes.

Joint Ventures/Licensing

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A number of organizations in Swaziland can help foreign firms to pursue joint ventures. The four largest are the Swaziland Industrial Development Company (SIDC), the Swaziland Investment Promotion Investment (SIPA), SWAKI, and Tibiyo Taka Ngwane.

SIDC is a private development finance company formed as a joint venture between the government and several international and local financial institutions. The main objective of SIDC is to assist incoming companies by financing joint ventures, equity participation, asset leasing, and providing factory shells. Partners include:

- Government of Kingdom of Swaziland – 34.9 percent
- German Investment and Development Company (DEG) - 22.1 percent
- International Finance Corporation (IFC) - 13.7 percent
- Commonwealth Development Corporation (CDC) - 10.9 percent
- Netherlands Development Finance Company (FMO) - 10.2 percent
- French Development Finance Institution (PROPARCO) - 5.0 percent
- Standard Bank of Swaziland - 1.6 percent
- Nedbank (Swaziland) Limited - 1.6 percent

SIPA is a government agency which facilitates investment in Swaziland. It can help foreign businesses search for partners.

SWAKI Group of Companies is a private entity, but forms joint ventures with incoming companies.

Tibiyo Taka Ngwane, a private trust fund managed by the king for the nation, is a major player in Swazi joint venture enterprises. Tibiyo invites foreign partners to either form joint venture projects or to run Tibiyo's wholly-owned projects under direct management contract. Tibiyo usually expects the joint venture partner to provide leadership in technical project implementation as well as professional management. When participating in a joint venture, Tibiyo is flexible on the level of its equity stake, generally ranging between 20-50 percent. It can provide limited loan financing to the joint venture

at a favorable rate. Tibiyo, when requested, also can play a facilitator role to investors wanting to set up in the country but wishing to "go it alone."

Selling to the Government

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In marketing products and services to the government, companies should not expect a steady flow of sales, but there are occasional opportunities for one-off sales of considerable size. The government generally publishes tenders in the local media and, depending on the commodity required, occasionally in the South African media. The U.S. Embassy in Mbabane has an overview of what opportunities exist. The commercial office in the U.S. Embassy welcomes the chance to direct interested American parties to the relevant authorities and actively seeks to secure fair consideration of American offers of goods and services.

Opportunities for U.S. companies to sell to government are available in medical equipment and supplies, heavy equipment including agricultural equipment, materials and equipment related to agri-processing, spare parts for vehicles, mining equipment, and equipment related to transportation and transportation infrastructure.

Potential bidders pay for the right to bid at the government revenue office and then collect tender documents from Government Stores after showing receipt from the government revenue office. Bids are returned to the Swaziland National Tender Board. Bidders are invited for the opening of the bids. In some instances, a ministry can apply for a tender waiver if there are too few companies supplying a particular commodity. The government requires three quotes to procure an item. It will issue an order to the company selected, and then the company applies for an import permit from the Ministry of Finance.

U.S. companies bidding on publicly funded opportunities in Swaziland have been frustrated by opaque processes and complicated procedures. The Swazi government is looking to improve the efficiency and transparency of public procurement, and passed new procurement related legislation in 2011.

Distribution and Sales Channels

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Swaziland uses two ports for imported goods: Durban, South Africa, and Maputo, Mozambique. Swaziland has a dry port at Matsapha, near Manzini, that clears consignments coming into Swaziland via the railway line.

Selling Factors/Techniques

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Service plans and warranties are an important selling point in Swaziland, especially for equipment and automobiles. In order to compete with South African products, U.S. businesses should make provisions for after-sale maintenance.

Another way of accessing the Swazi market is by exhibiting at the international trade show which is held in August/September annually. An advertisement in the local dailies will also enhance awareness of the new products.

English is one of Swaziland's two official languages and, as long as labeling is done professionally and instructions for use are explicit, Swazi buyers will not have a problem with the commodity.

Electronic Commerce

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E-commerce is not widely used in Swaziland. Few individuals buy items over the internet or use credit cards. Three financial institutions in the country have introduced e-banking. Internet scams are common in Swaziland. When dealing with Swazi companies claiming to support e-commerce, it would be best to check with local banks to confirm the validity of the transaction.

Trade Promotion and Advertising

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Two newspapers in Swaziland offer advertising possibilities for U.S. businesses: the privately-owned *Times of Swaziland* and Tibiyo Taka Ngwane's *Swazi Observer*. A monthly magazine, *The Nation*, at one time banned by the government, has been back in circulation for some time. Swaziland has one business journal, *The Swaziland Business Yearbook*, now in its fourteenth year.

Newspapers:

The Swazi Observer

Observer House, West Street Mbabane

Tel (268) 2404-5190, 2404-5194

Fax (268) 2404-5503

E-mail: observmb@realnet.co.sz

Website address: <http://www.observer.org.sz>

The Times of Swaziland

P.O. Box 156, Mbabane

Tel (268) 2404-1550, 2404-1551, 2404-1552, 2404-1553

Fax (268) 2404-2438

E-mail: times@realnet.co.sz

Website address: <http://www.times.co.sz>

Other Publications:

The Nation

P.O. Box 3433, Mbabane

Tel. (268) 2404-6611

E-mail: thenation@realnet.co.sz

Website address: <http://www.theswazination.com/>

Swaziland Business Yearbook

Published by Christina Forsyth Thompson

P.O. Box 592, Mbabane

Tel (268) 2404-3400, 2404-1839

Fax (268) 2404-3400

E-mail: cft@realnet.co.sz

Website address: <http://www.swazibusiness.com/indexsbyb.html>

The government owns radio and television stations which sell advertising (no website is available for the radio station). Swaziland has one privately-owned radio station broadcasting Christian material, but has no privately-owned television stations. It is possible to advertise with South African television stations broadcasting into Swaziland.

Television
Swaziland Television Authority
P.O. Box A146
Swazi Plaza, H101
Mbabane
Tel: (268) 2404-3036
Fax: (268) 2404-2093
E-mail: info@swazitv.co.sz
Website address: <http://www.swazitv.co.sz>

Pricing

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Pricing of commodities in Swaziland is usually inclusive of all taxes. Swaziland currently charges 14 percent tax on all goods sold within the country. In April 2012, Swaziland will introduce value added tax (VAT), also at 14 percent, on most goods except on those zero-rated in the law. The Swaziland Revenue Authority (SRA) will administer VAT. The SRA's website provides useful information about the introduction of VAT.

Swaziland Revenue Authority
2nd Floor, Imfembe Building
Mahlokohla Street
Private Bag Mbabane
Tel: +268 2406 4000
Fax: +268 2406 4001
Email: info@sra.org.sz
Website Address: <http://www.sra.org.sz>

Sales Service/Customer Support

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After-sale maintenance is top priority for any sale to succeed in Swaziland. Swazis are hesitant to buy products that cannot be serviced in Swaziland, and U.S. exporters should make provisions for in-country service to promote sales. For example, although government agencies may be willing to wait up to two weeks for automobile service in South Africa, private individuals will not tolerate the inconvenience. Like western consumers, many Swazis will demand same-day or overnight service on their vehicles.

Protecting Your Intellectual Property

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Protection for patents, trademarks, and copyrights is currently inadequate under Swazi law. Swaziland has an intellectual property rights regime inherited from the colonial era, under which copyrights, patents, and trademarks were more or less protected under various acts promulgated by the colonial authorities.

Patents are currently protected under a 1936 act that automatically extends patent protection upon proper application to products that have been patented in either South Africa or Great Britain. Updated patent legislation is in the pipeline. Under the new legislation, patents would be granted by the government with technical assistance from the African Regional Industrial Property Organization in Harare. Protection would be extended to pharmaceutical and agricultural chemical products.

The Trade Marks Act of 1981, although also inadequate, established registration of trademarks for a period of ten years, and may be renewed for subsequent periods of ten years. The registered proprietor of a trademark in Swaziland has the exclusive right to use the mark, and any assignment or transmission of the mark must be registered by the assignee. Appeals against the Registrar's decisions regarding trademarks may be made to the High Court. The Fair Trading Act, 2001 also provides for pursuit and penalties in the case of violation of trademarks.

Copyright protection is addressed under four statutes, dated 1912, 1918, and 1933 under the Intellectual Property Rights Organization (WIPO) model. Swaziland does not have bilateral copyright relations with the United States.

The government has acceded to the WTO TRIPS agreement, but has not signed the WIPO internet agreement. See Chapter 6, Investment Climate Statement.

Protecting Your Intellectual Property in Swaziland:

Several general principles are important for effective management of intellectual property ("IP") rights in Swaziland. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Swaziland than in the U.S. Third, rights must be registered and enforced in Swaziland, under local laws. Your U.S. trademark and patent registrations will not protect you in Swaziland. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Swaziland market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Swaziland. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Swaziland law. The U.S. Commercial Service can provide a list of local lawyers upon request Johannesburg.office.box@mail.doc.gov

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal

doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Swaziland require constant attention. Work with legal counsel familiar with Swaziland laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Swaziland or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.

- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Swaziland at: Johannesburg.office.box@mail.doc.gov

Due Diligence

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Proper due diligence should form the starting base for any business negotiation with Swazi concerns. U.S. companies should act prudently in completing due diligence reports prior to any proposed business deals.

The U.S. Department of Commerce's Foreign Commercial Services (FSC) Section at the U.S. Consulate General in Johannesburg can provide valuable background information on Swazi firms through their International Company Profile (ICP) service. Further information can be obtained by visiting <http://www.buyusa.gov/southafrica> or contacting the FCS Export Assistance Center at (+27) 11-778-4808.

Local Professional Services

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Professional Associations:

Law Society of Swaziland,
2nd Floor, High Court Building,
P.O. Box 512
Mbabane
Phone: +268 2404-4158
Fax: +268 2404-9956
Email: lawsociety@swazi.net
Website: <http://www.swazilii.org/content/law-society-swaziland>

Accountants and Auditors
Kobla Quashie and Associates
P.O. Box 710
Manzini
Tel: +268 2505-4974
Email: info@koblaquashie.co.sz

Website: <http://www.koblaquashie.com>

Management Consulting
Regional Excellence & Development Initiative
Email: info@redi.realnet.co.sz
Website: <http://www.redi.co.sz>

KPMG Management Services
P.O. Box 331
Mbabane
Tel: +268 2409-0300
Email: kpmg@kpmg.co.sz

Web Resources

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Business Yearbook
<http://www.swazibusiness.com/indexsbyb.html>

Swaziland Industrial Development Company
<http://www.sidc.co.sz>

Swaziland Investment Promotion Agency
<http://www.sipa.org.sz>

Tibiyo Taka Ngwane
<http://ww2.tibiyo.com>

Small Enterprise Development Company
<http://www.sedco.biz>

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Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

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Agricultural Sectors

- [Maize](#)
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Drugs/Pharmaceuticals - DRG

Overview

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	nil	nil	n/a	n/a
Total Exports	57.1	168.6	n/a	n/a
Total Imports	52,863.0	43,520.7	n/a	n/a
Imports from the U.S.	645.3	121.3	n/a	n/a
Exchange Rate: 1 USD	7.45	7.26	n/a	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

Swaziland imports most of the drugs and pharmaceuticals used in the country. The country has both a private and public health care system. Eighty percent of the population of 1.1 million is dependent on the government-funded public sector for healthcare. In 2012, the GKOS increased the total budget for the Ministry of Health by approximately USD 12.7 million.

Swaziland Government's focus remains on the fight against HIV/AIDS and TB according to the Minister of Finance's Budget Speech for 2012. HIV/AIDS death rate increased from 17.68 to 17.72 deaths per 1,000 people in 2009 and 2010. In 2011, estimates show a moderation in the number of deaths due to treatment. Efforts to fight these diseases will be enhanced further through a loan of USD 20 million from the World Bank and a grant of 20 million Euros from the European Union for a five year HIV/AIDS and TB project.

Sub-Sector Best Prospects

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- Anti-Retroviral Drugs
- TB Drugs
- Drugs for Diabetes

Opportunities

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The government in its budget speech has set aside approximately USD 4.8 million towards ARVs, reagents and other life-saving drugs.

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Swaziland Government /Ministry of Finance
<http://www.gov.sz/>

Swaziland Government/Ministry of Health
<http://www.gov.sz/>

Medical Equipment (MED)

Overview

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	6.7	7.4	n/a	n/a
Total Imports	475.5	245.6	n/a	n/a
Imports from the U.S.	45.3	210.7	n/a	n/a
Exchange Rate: 1 USD	7.45	7.26	n/a	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

Swaziland's healthcare sector is serviced by the public health care system, which is not well equipped. A number of cases have to be referred to South Africa because of lack of equipment and expertise. Because of the cost of sending patients to South Africa and the increasing demand for services Swaziland plans to upgrade the hospitals. In the 2012/13 fiscal year, the government has allocated approximately USD 21 million for healthcare related capital expenditure.

Sub-Sector Best Prospects

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- Medical equipment
- Patient care monitors
- Chemotherapy equipment
- Imaging equipment
- Optical instruments

Opportunities

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The government, in its medium term budget policy, plans to embark on the upgrade of hospitals and to build a regional hospital on the eastern part of Swaziland. U.S. companies have an opportunity to supply medical equipment and supplies.

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Swaziland Government /Ministry of Finance
<http://www.gov.sz/>

Swaziland Government/Ministry of Health
<http://www.gov.sz/>

Audio Visual Equipment (AUV)

Overview

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	Unit: USD thousands			
	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	14.8	71.0	n/a	n/a
Total Imports	2787.5	2740.4	n/a	n/a
Imports from the U.S.	197.6	433.8	n/a	n/a
Exchange Rate: 1 USD	7.45	7.26	n/a	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

Swaziland is upgrading the equipment for its radio and television stations. With the advent of the digital era Swaziland Television plans to go digital soon.

Sub-Sector Best Prospects

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- Radio/TV transmission Apparatus incorporating reception apparatus
- Digital TV Cameras
- Electronic components
- Sound recorders and reproducers

Opportunities

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Digitalization of the Television Station opens up opportunities for U.S. companies to supply all the equipment.

Web Resources

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Ministry of Information, Communications and Technology
<http://www.gov.sz/>

Swaziland Television Authority
<http://www.swazitv.co.sz>

Railroad Equipment (RRE)

Overview

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	1.5	9.0	n/a	n/a
Total Imports	957.0	3861.6	n/a	n/a
Imports from the U.S.	762.9	7.5	n/a	n/a
Exchange Rate: 1 USD	7.45	7.26	n/a	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

The governments of Swaziland and South Africa have signed a Memorandum of Agreement for the construction of a rail link. Transnet and Swaziland Railways have agreed to jointly develop a 146-kilometre railway line from Lothair in Mpumalanga Province, South Africa to Sidvokodvo Junction in Swaziland. They have also agreed to upgrade the adjacent railway networks in both countries.

The USD 2 billion project will be the biggest railway investment in southern Africa since 1976. Cost of building the main railway line would be approximately USD 912 million, with some USD 1.1 billion to be spent on 600 kilometers of adjacent lines. Swaziland will be responsible for providing approximately USD 625 million of the total investment. Once completed, the new rail line is expected to create additional capacity of 15 million tons, which will predominantly be general freight volumes from the existing coal export rail line. The rail link will connect the ports of Richards Bay, South Africa and Maputo, Mozambique. The first trains are expected to start running in three years' time.

Sub-Sector Best Prospects

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- Rail wagons
- Traffic Control Equipment
- Electrical apparatus for sound and visual signals

Opportunities

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Swaziland is already in the process of procuring 500 rail wagons, an ongoing opportunity for U.S. companies.

Web Resources

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Swaziland Railways
<http://www.swazirail.co.sz>

Ministry of Public Works and Transport
<http://www.gov.gov/>

Airport/Ground Support Equipment (APG)

Overview

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	32.0	21.4	n/a	n/a
Total Imports	306.9	186.8	n/a	n/a
Imports from the U.S.	n/a	1.3	n/a	n/a
Exchange Rate: 1 USD	7.45	7.26	n/a	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

Swaziland is currently building a new airport that will accommodate large passenger planes. The airport is being built to serve as the country's only international airport. Swaziland is currently serviced by Matsapha Airport, which can only handle trans-Atlantic or inter-continental flights and serves largely as a charter airport for small regional carriers.

Sub-Sector Best Prospects

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- Ground Support Equipment
- Passenger Transport Vehicles
- Luggage Handling Vehicles and Systems
- Passenger Air Bridges
- Air Traffic Control equipment
- Instrument Landing Systems
- Safety and Security Systems Integration.

Opportunities

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The roll out of the new equipment and systems at Sikhuphe airport is a significant opportunity for U.S. companies. The general maintenance of air traffic control facilities and navigation services provide further opportunity.

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Ministry of Economic Planning and Development
<http://www.gov.sz/>

Swaziland Civil Aviation Authority (SWACAA)
<http://www.swacaa.co.sz/>

Telecommunications Equipment (TEL)

Overview

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	2870.2	25.6	n/a	n/a
Total Imports	6199.7	6991.7	n/a	n/a
Imports from the U.S.	n/a	n/a	n/a	n/a
Exchange Rate: 1 USD	7.45	7.26	n/a	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

Swaziland's telecommunications network is fully digital. Optical fiber and local loop systems have been installed and link key areas throughout the country and neighboring countries. Swaziland also introduced the wire-line broadband services along with the Next Generation Networks. The landline network is a state monopoly. A private company provides cellular phone services. Swaziland Posts and Telecommunications Corporation (SPTC) has begun a project to be the second cellular provider. Swaziland plans to enhance its optic fiber connectivity with its neighbors South Africa and Mozambique to take advantage of the undersea fiber optic cables for affordable international bandwidth.

Sub-Sector Best Prospects

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- Next Generation Network Solutions
- Fiber Optic Cables
- Cell phones
- Main Distribution Frames
- Spare parts for the equipment e.g. interface protocols

Opportunities

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As Swaziland plans the commercialization of wireless services, US telecommunications suppliers could find opportunities in this venture. Only MTN Swaziland Ltd offers cellular service, although SPTC has begun developing wireless products.

Swaziland is building an international airport which still needs to be provided with a telecommunications network.

Web Resources

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Swaziland Posts and Telecommunications Corporation
<http://www.sptc.co.sz>

Electrical Power Systems

Overview

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	60.12	432.6	n/a	n/a
Total Imports	12842.9	9416.0	n/a	n/a
Imports from the U.S.	n/a	n/a	n/a	n/a
Exchange Rate: 1 USD	7.45	7.26	n/a	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

The threat of the shortage of electricity in South Africa's makes Swaziland look at other avenues for the production of electricity for domestic consumption. Swaziland generates approximately 24 percent of its required 1.2 billion kilowatt of electricity, and imports the remainder from South Africa and Mozambique. As demand for electricity in South Africa grows, the South African power utility, Eskom, will be less willing to sell to Swaziland.

The Swaziland Electricity Company (SEC) is doing a feasibility study to build a 300 megawatt thermal power station. The Electricity Company is implementing its rural electrification program that will electrify the rural areas. Ninety-nine percent of power generated in the country is hydro-power generated. In 2011, two sugar companies began generating their own electricity and selling excess to the power utility company. The power utility company is now calling for private partnerships to produce hydro power electricity.

Sub-Sector Best Prospects

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- Joint ventures in the 300MW thermal power station
- Environment impact assessment contracts
- Copper sales
- Construction of 400kV integration for rural substations
- Participation in hydro power generation

Opportunities

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U.S. firms may find opportunities related to construction, operation, and maintenance for new power stations, and to conduct environmental impact assessments. The Swazi government continues to push ahead with plans for rural electrification in all four regions of the country. There may be opportunities for U.S. firms to sell equipment or parts to the national electricity company who is responsible for rural electrification.

Web Resources

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Swaziland Electricity Company
<http://www.sec.co.sz>

Foods – Processed (FOD)

Overview

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	10497.5	12941.9	n/a	n/a
Total Imports	9495.9	7932.7	n/a	n/a
Imports from the U.S.	561.5	435.2	n/a	n/a
Exchange Rate: 1 USD	7.45	7.26	n/a	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

Swaziland is actively pursuing investors in value-added industries which use inputs such as sugar, citrus fruit, and vegetables. Swaziland is strengthening its agri-business and the population is encouraged to grow vegetables for their own consumption and value-add them for export.

Sub-Sector Best Prospects

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- Start up of food processing establishments
- Supply of ingredients for value added products
- Supply of equipment and upgrade of technology
- Supply of packaging

Opportunities

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U.S. companies can supply equipment and technology for food processing.

Web Resources

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Swaziland Investment Promotion Authority
<http://www.sipa.org.sz>

Eswatini Kitchen
<http://www.eswatinikitchen.com/>

Swazican Fruit Canners (Pty) Ltd
<http://www.rhodesfoodgroup.com>

Cosmetics/Toiletries (COS)

Overview

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	4.9	336.9	n/a	n/a
Total Imports			n/a	n/a
Imports from the U.S.	2314.0	1677.8	n/a	n/a
Exchange Rate: 1 USD	7.45	7.26	n/a	n/a

Data Sources: *Swaziland Revenue Authority Statistics Union*

Marula trees grow wild on the eastern part of Swaziland. A local company uses oil extracted from the marula fruit to produce Swazi Secrets toiletries on a large scale and for export. Swazi Indigenous Products, which produces Swazi Secrets products, is a trading member of the Union of Ethical BiTrade (UEBT). Swazi Secrets products are also certified as organic by international organizations. The company works with about 2,600 local women who collect the seeds for processing. The success of Swazi Secrets toiletries has induced local women to begin small projects producing toiletries and other household products from indigenous plants.

Sub-Sector Best Prospects

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- Toiletry preparations ingredients
- Perfumery
- Resin
- Finished cosmetics
- Research and development

Opportunities

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Given growing interest and confidence in organic products, production of organic cosmetics produced from locally available plant materials represents an opportunity for U.S. companies.

Swazis have confidence in U.S. products and the supply of finished cosmetics is another opportunity for American companies.

Web Resources

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Swazi Indigenous Products
P.O. Box 163,
Mpaka, Swaziland
Tel (+268) 2 33 33 281
info@swazisecrets.com
Website: <http://www.swazisecrets.com>

Swaziland Investment Promotion Authority
Website: <http://www.sipa.org.sz>

Agricultural Machinery Equipment (AGM)

Overview

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	619.7	2849.2	n/a	n/a
Total Imports	16451.5	13307.1	n/a	n/a
Imports from the U.S.	n/a	n/a	n/a	n/a
Exchange Rate: 1 USD	7.45	7.26	n/a	n/a

Data Sources: *Swaziland Revenue Authority Statistics Office*

In his fiscal year 2012/2013 budget speech, Swaziland's Minister of Finance underlined government's commitment to supporting agriculture and agri-business. Over the coming year, the Ministry of Agriculture will intensify its commercialization and diversification program to help farmers to produce more food for international markets as well as for their own consumption.

To show the government's commitment to developing agriculture in the country, the Swaziland Water and Agricultural Development Enterprise has successfully developed 4,900 hectares of irrigable area under the Komati downstream development area, and another 2,200 hectares under the Lower Usuthu downstream area. The Swazi government is committed to the construction of small earth dams in dry areas of the country to provide small-scale irrigation and water for livestock.

Sub-Sector Best Prospects

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- Tractors, ploughs, harrows, planters
- Fertilizer distributors
- Haymaking machinery
- Harvesting machinery
- Beekeeping equipment
- Machinery for milling cereals
- Milking machines and dairy machinery
- Sugar manufacturing machinery
- Poultry incubators and poultry preparation machinery

Opportunities

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Agricultural equipment like tractors, planters and combine harvesters are primarily supplied by John Deere, trading as Swazi-trac. John Deere has established a strong reputation for American companies with respect to the quality of agricultural equipment; a reputation from which other U.S. firms may benefit.

Web Resources

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Swazi-Trac (Pty) Ltd
Plot 582, Police College Road
Matsapha Industrial Site
P.O. Box 170
Matsapha, M202
Swaziland
Tel.: +268 2518 4556/5072
Fax: +269 2518 4555
Email: william@swazitrac.co.sz
Website: <http://www.swazitrac.co.sz>

Swaziland's agriculture sector is dominated by sugar and canned fruit production for export. Many Swazis practice subsistence agriculture focusing on maize cultivation. The country is historically a net importer of maize, and the quantity demanded depends significantly on unreliable rainfall. Besides subsistence production, the country meets much of its demand for agricultural products through imports from South Africa. In 2009/10 maize cultivation increased to 75,078 tons from 70,672 tons the previous year.

Value-added activities in the sector include processing and preserving of fruit and vegetables; the processing of vegetable and animal oils and fats; dairy products; grain mill products, especially wheat; which is wholly imported; prepared animal feeds; sugar refining; cocoa; chocolate; and sugar confectionery, among other food products. In 2010, imports from the U.S. of maize, rice, wheat, barley and other cereals amounted to USD 38.5 thousand.

Swaziland's beef export increased by 13 percent in 2010, recording USD 7.53 million in receipts. The Swaziland Meat Industries, the exporter of beef in Swaziland, is committed in the drive to commercialize this industry. Swazis are reluctant to raise cattle for commercial purpose which is a major setback for the industry. The dairy industry in Swaziland is dominated by the informal market. Raw milk from local production amounted to 7.28 million litres in 2010. Imports amounted to 45.82 million litres.

Canned fruit export registered a steep decline in 2010. Export receipts dropped to USD 11.02 million in 2010 from USD 23.7 million in 2009 due to the inability of Swaziland's premier canning company to secure rights to additional land.

The U.S. Foreign Agriculture Service office at the U.S. Embassy in Pretoria, South Africa, can provide information on exporting U.S. agriculture products to Swaziland. The office's contact information is:

Foreign Agriculture Service
U.S. Embassy Pretoria, South Africa
Tel: +27-12-431 4235
Fax: +27-12-342 2264
Email: agpretoria@fas.usda.gov

Maize

Overview

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	1043.9	793.3	n/a	n/a
Total Imports	29458.2	23692.5	n/a	n/a
Imports from the U.S.	7.55	10.57	n/a	n/a
Exchange Rate: 1 USD	7.45	7.26	n/a	n/a

Data Sources: *Swaziland Revenue Authority Statistics Union*

The favorable rains and the increase in the maize cultivation area improved maize production in 2009/2010. Despite this increase, maize production still fell short of the country's consumption requirement of 113,450 tons. The National Maize Corporation, a state-owned enterprise, imported approximately 40,000 tons from South Africa to mitigate the shortfall.

Sub-Sector Best Prospects

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- Maize
- Seed

Opportunities

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The country is a net importer of maize and seed.

Web Resources

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National Maize Corporation (Pty) Ltd
11th Street
Matsapha Industrial Sites
P.O. Box 1775
Matsapha M202
Swaziland
Tel: (+268) 518 7432
Fax: (+268) 518 4461
E-mail: info@nmc.co.sz
Website: <http://www.nmc.co.sz>

Swaziland Investment Promotion Authority
Website: <http://www.sipa.org.sz>

Wheat

Overview

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	0.04	13.6	n/a	n/a
Total Imports	23424.9	27624.3	n/a	n/a
Imports from the U.S.	22.9	0.3	n/a	n/a
Exchange Rate: 1 USD	7.45	7.26	n/a	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

Wheat is the only cereal with a significant import share from a country other than South Africa. Culturally, wheat is not a staple food in Swaziland. However, because of government price controls on bread and poor maize yields, people are consuming increasing amounts of imported wheat. Ngwane Mills is the sole importer, miller and distributor of wheat and wheat products in Swaziland. Ngwane Mills now also mills and distributes maize products.

Sub-Sector Best Prospects

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- Wheat

Opportunities

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U.S. companies may find opportunities in supplying Swaziland with wheat and wheat products.

Web Resources

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Ngwane Mills

King Mswati III Avenue West,

Matsapha Industrial

Tel: +268 5185310/7432

Fax: +268 5185112/4461

Email: wendyn@ngwanemills.co.sz

Website: <http://nmigroup.co.za/companies/companies/swaziland.html>

Swaziland Investment Promotion Authority

Website: <http://www.sipa.org.sz>

Rice

Overview

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	82.0	137.4	n/a	n/a
Total Imports	13044.8	16441.6	n/a	n/a
Imports from the U.S.	n/a	n/a	n/a	n/a
Exchange Rate: 1 USD	7.45	7.26	n/a	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

Rice is another grain that previously was not a staple food but now is consumed in large quantities in Swaziland. In 2011, rice imports amounted to USD 13,044,825 against USD 16,871,503 in 2010.

Sub-Sector Best Prospects

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- Rice

Opportunities

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Companies may find opportunities in supplying Swaziland with rice or related products.

Web Resources

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Swaziland Investment Promotion Authority
Website: <http://www.sipa.org.sz>

Prepared Foods

Overview

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Unit: USD thousands

	2010	2011	2012 (estimated)	2013 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	10329.6	11823.8	n/a	n/a
Total Imports	4325.6	2837.9	n/a	n/a
Imports from the U.S.	248.2	264.5	n/a	n/a
Exchange Rate: 1 USD	7.45	7.26	n/a	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

Swaziland is a net importer of prepared foods. Imports of prepared foods have shown consistent increases over the past few years.

Sub-Sector Best Prospects

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- Preparations from vegetables, fruit, nuts and other plants
- Sauces and condiments

Opportunities

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U.S. companies will find opportunities for providing prepared foods to local outlets.

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Swaziland Investment Promotion Authority
Website: <http://www.sipa.org.sz>

Ministry of Agriculture
Website: <http://www.gov.sz/>

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Chapter 5: Trade Regulations, Customs and Standards

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Import Tariffs

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Swaziland, together with Botswana, Lesotho, Namibia and South Africa, are members of the Southern Africa Customs Union (SACU). As a Customs Union, the five countries have a common external tariff, but each country has an internal tax that applies to imports from the other member states as well from third countries. In Swaziland, this tax is the General Sales Tax (GST) of 14 percent, which is governed by the Sales Tax Act (Act No.12 of 1983). On April 1, 2012 Swaziland will introduce a 14 percent value-added tax (VAT), according to the Value Added Tax Act 2011. The VAT Act will repeal the Sales Tax Act of 1983.

Rates of customs duty and excise duty are determined at the SACU level. The taxes collected are remitted into the SACU revenue pool from which they are distributed to the five countries in accordance with an agreed revenue-sharing formula. For a number of products, the import duty and excise tariff provides for both *ad valorem* and specific rates of duty. The *ad valorem* rates of duty range from 0-40 percent. Most products originating in SADC countries are duty-free. Excise duty is charged on both imported and locally manufactured goods, but it applies only to a limited number of consumer products, such as beverages.

Trade Barriers

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Transporting goods to and from Swaziland represents a challenge for traders. Swaziland has no direct sea access and a very small international airport. However, quality facilities are available nearby. The ports at Durban, South Africa, and Maputo, Mozambique, can be accessed by rail, and a dry port in Swaziland facilitates the road-to-rail connection.

Johannesburg International Airport is easily accessible by road and a new, large airport is under construction in eastern Swaziland. Swaziland's main roads are in good condition.

For information on Swaziland transportation barriers, please see a study by USAID's Regional Center for Southern Africa, entitled "Improving Transportation Logistics for Competitiveness of Swaziland," posted on the Embassy's website: http://mbabane.usembassy.gov/local_links.html.

In addition to transportation, government procedures can hinder business in Swaziland. There is a general lack of procedural transparency, and reliable information regarding trade and investment is not readily available. The U.S. Embassy recommends that those interested in investing in Swaziland personally visit the country.

Import Requirements and Documentation

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Permits are required for certain imports, including all agricultural products, mineral fuels, used clothes, mineral oils, motor vehicle parts, used cars, medicinal drugs, and electrical appliances. Licensing permits issued by the Ministry of Finance are generally easy to obtain and are valid for one shipment. Goods consigned to Swaziland from outside SACU must be cleared through customs at the first port of importation into SACU. A bill of entry must be completed and submitted to customs along with copies of the supplier's invoices and a Swaziland import permit.

U.S. Export Controls

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Swaziland's "listed" items are those that appear on the U.S. Department of Commerce Control List. These require a license to be exported to Swaziland based on the Export Control Classification Number and the Country Chart. These items are detailed on the U.S. Department of Commerce's Bureau of Industry and Security website at www.gpo.gov/bis/ear/ear_data.html

The Country Chart, which includes Swaziland, is in Part 738. The Commerce Control List is in Part 774; there are 10 categories that can be pulled up as separate files.

Temporary Entry

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There is no restriction on temporary entry of goods in transit to another country, but importers may be charged transit rebates, which include warehousing guarantee bonds. Transit rebates ensure that goods destined for a third country leave Swaziland. Transit rebates are paid upon entry into Swaziland, and the owner of the goods applies for refund of the rebate when the goods leave Swaziland.

Labeling and Marking Requirements

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Only country of origin labeling is required. Swaziland has an established Standards Authority, which will introduce standards certification.

Prohibited and Restricted Imports

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Importing illicit drugs and arms of war is prohibited.

Customs Regulations and Contact Information

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The Swaziland Revenue Authority (SRA), which opened its doors on January 01, 2011, was formed after a merger of the Customs and Income Tax departments. The SRA office administers import duties and controls.

Swaziland Revenue Authority
Imfumbe Building
Mahlokohla Street
P.O. Box 5628
Mbabane, Swaziland
Tel: +268 2406 4000
Email: info@sra.org.sz
Website: <http://www.sra.org.sz>

Standards

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Swaziland Standards Authority (SWASA) is a statutory body formed in accordance with the Quality and Standards Act 10 of 2003. The office was opened in April 2007. SWASA is responsible for the promotion and maintenance of standardization and quality relating to commodities and the rendering of services. Its tasks include:

- To serve industry, commerce and the public sector by developing, maintaining and monitoring the implementation of standards and performing conformity assessments;
- To acquire, develop and publish standards, and provide testing facilities;
- To acquire affiliation to relevant international bodies.

Standards Organizations

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Swaziland Standards Authority (SWASA) – A Swaziland government agency responsible for standards. Website: <http://www.swasa.co.sz>.

SWASA has a memorandum of understanding with the South African Bureau of Standards (SABS). Website: <http://www.sabs.co.za>.

Fourteen member states constitute the Southern African Development Community (SADC), which has the goal of harmonizing member countries' standards and technical regulations. It is reliant on the capacity of primarily the SABS for its operations. Website: <http://www.sadcstan.co.za>.

SWASA signed a memorandum of understanding with the ASTM International, formerly known as the American Society for Testing and Materials. Website: <http://www.astm.org>

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries.

Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Conformity Assessment

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SWASA is involved in conformity assessment with the South African Bureau of Standards (SABS), a South African government agency regulating standards. Website: <http://www.sabs.co.za>

Product Certification

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SWASA is continuing to work on the development and adoption of standards in Swaziland. Given that Swaziland did not have any national standards previously, SWASA has been helping local companies source standards from neighboring national standards bodies.

Accreditation

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SWASA has established that South African National Standards sourced from SABS are most commonly used by Swaziland companies. Another commonly used standard is the ISO 9000 and some companies are in the process of implementing HACCP. So far only one company is known to be implementing ISO22000 and is accredited to the standard.

Publication of Technical Regulations

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SWASA is the statutory repository of all approved standards. These may be obtained from SWASA's websites. All proposed and final technical regulations will be published in the Swaziland *Government Gazette* and also SWASA's website:

<http://www.swasa.org.sz>

Labeling and Marking

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Labeling/marketing for industrial and pharmaceutical imports has to be provided in English. Swaziland follows the Harmonized System (HS) and belongs to the Southern African Customs Union (SACU).

Contacts

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Trade Agreements

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Swaziland is currently a member state of the Common Market for Eastern and Southern Africa (COMESA). The Preferential Trade Area agreements for Eastern and Southern Africa grant Swazi goods and services preferential access to a market of over 250 million people.

The SADC Trade Protocol came into force in January 2000. This initiative is strongly supported by the World Bank, International Monetary Fund, and the African Development Bank. Under SADC, a company with operations in Swaziland can supply the entire SADC region with minimal export controls. SADC is made up of Angola, Botswana, Democratic Republic of the Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Swaziland, South Africa, Tanzania, Zambia and Zimbabwe. Swaziland membership in the Southern African Customs Union (SACU), with Botswana, Lesotho, Namibia, and South Africa, allows for duty-free exchange of goods to a market of 45 million people. Goods from outside SACU require an import permit. Member countries receive due shares of the customs pool generated by commodities imported from outside the SACU. Customs revenue continues to be a major component of Swazi government receipts, until recently accounting for an estimated 60 percent of total revenue. The renegotiated SACU Agreement came into effect in July 2004.

Swaziland continues to benefit from eligibility for the African Growth and Opportunity Act (AGOA). On January 18, 2001, Swaziland was designated as the 35th AGOA eligible country. Foreign investors have taken advantage of Swaziland's AGOA-eligible status, especially in the garment manufacturing industry.

Swaziland is a signatory of the General Agreement on Tariffs and Trade. The GATT Agreement affects Swazi industry through its membership in SACU. To meet GATT obligations, South Africa, on behalf of SACU, has submitted schedules for the gradual reduction of tariffs for some commodity imports.

At the expiry of the Cotonou Agreement on December 31, 2007, Swaziland signed an interim Economic Partnership Agreement (EPA) with the EU in June 2009, and negotiations towards a full/comprehensive EPA are ongoing, however at this stage it remains unclear whether Swaziland will sign on. Swaziland is negotiating the EPA with the EU as part of the SADC-EPA block, which is made up of only 7 of the 14 SADC members (Southern African Development Community) members. Trade arrangements under the interim EPAs are 'compatible' with the requirements of the [World Trade Organization](#) (WTO).

Web Resources

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Swaziland Investment Promotion Authority

Website: <http://www.sipa.org.sz>

Swaziland Standards Authority

Website: <http://www.swasa.co.sz>

U.S. Commercial Service South Africa

<http://buyusa.gov/southafrica/en> or

<http://www.ussatrade.co.za>

Ministry of Commerce, Industry and Trade

<http://www.gov.sz/>

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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The Government of the Kingdom of Swaziland's (GKOS) continuing fiscal crisis, resulting from a drop in Southern African Customs Union (SACU) receipts and the global economic downturn, has reinforced the government's desire to attract foreign direct investment (FDI) to help provide jobs and revenue. In order to deal with the drop in SACU revenues and the burgeoning wage salary expenditures, the GKOS crafted a Fiscal Adjustment Roadmap (FAR) that runs from fiscal year 2010/11 to 2014/15. In 2011, Swaziland's Ministry of Economic Planning and Development also drafted an Economic Recovery Strategy (ERS), a multi-year plan aimed at achieving economic growth and job creation. The ERS includes proposed reforms to encourage trade and investment. GKOS implementation of the FAR has been slow, however, and the ERS has not yet been formally adopted by the government.

Incentives to invest in Swaziland include repatriation of profits, provision of factory shells at competitive rates, and exemption from duty on raw materials to manufacture goods to be exported outside the SACU. Financial incentives for all investors also include generous tax breaks and deductions for new enterprises, including a 10-year exemption from withholding tax on dividends and a low corporate tax of 10 percent for approved investment projects. New investors also enjoy duty-free import of machinery and equipment.

The GKOS continues to work with the European Union, African Development Fund and the USAID/Southern Africa Trade Hub in the development of its investment policy, and improvement of trade policies. The Companies Act of 2009, which replaced the outdated Companies Act of 1912, came into force on April 1, 2010. The Act's main objective is to streamline the establishment, incorporation, and registration of companies. The Act will also improve the management, administration and dissolution of companies and put Swaziland's corporate laws in line with regional and international developments. The Financial Services Regulatory Act No. 2 of 2010 came into effect on June 1, 2010. The aim of the Act is to put in place an integrated regulatory system for the non-bank financial services, including insurance, retirement funds, building societies, capital markets and other similar institutions. In 2011, Swaziland's parliament passed additional legislation aimed at improving the business climate, including the Trading Licenses Act, which shortens the required advertising period for getting a business license from 21 days to 3 days, and the Shop Trading Hours Act, which allows shops to be open for 24 hours. Retail outlets were previously required to close at 5pm. The Swaziland Communications Commission Bill, which would affect the issuance of television licenses, and the Electronic Communications Bill, whose aim is to provide a framework for the development of electronic communications networks in Swaziland, has yet to be enacted.

Swaziland has a dual-legal system, and most investments are effected through and governed by Roman/Dutch law. Companies investing under traditional rules, possibly involving communal land controlled by a chief or the king, should be aware that they likely will not be able seek dispute resolution from a Swazi court. Swaziland's judicial system generally upholds the sanctity of contracts; however, companies investing under the auspices of Swazi tradition and custom do not have the same judicial protections and remedies as investments under the more commonly used Roman/Dutch based law.

There are no formal policies or practices that are discriminatory to foreign investors, and companies may be 100 percent foreign-owned. However, foreigners have run into trouble when attempting to register new business ventures as Swazi businesses (as opposed to foreign businesses registered as such in Swaziland). According to the Companies Act of 2009 Section 15 (3), "a company is deemed to be a local company if that company – (a) has Swazi citizens who hold more than one half of its issued share capital; (b) has Swazi citizens forming the majority of its shareholders who have control over the placement of the Board of Directors; and (c) has Swazi citizens forming the majority of its Board of Directors." In 2011, the Swaziland Investment Promotion Authority (SIPA) worked with investors to register the correct type of company under Section 15. The Swazi Constitution bars the vesting of ownership of land in foreign-owned companies or foreigners unless ownership was attained before the promulgation of the Constitution on February 8, 2006. However, the Constitution states that this provision "may not be used to undermine or frustrate an existing or new legitimate business undertaking of which land is a significant factor or base." Foreign companies looking to own land must attain approval from the Land Board. Any company wishing to do business in Swaziland must adopt articles of incorporation or association.

Investors are screened for creditworthiness and business ethics track record, as well as criminal record. If investors bring external funding, there is no requirement for further screening. Foreign investors are theoretically free to invest in all sectors of the Swazi economy, aside from sectors controlled by GKOS monopolies, such as water services. Other areas in which the GKOS disallows investment are in the manufacturing of arms,

chemical and biological weapons, radioactive materials, explosives, and manufacturing involving hazardous waste treatment or disposal.

Privatization of the energy sector, as envisaged by the Swaziland Electricity Company Act of 2007, is beginning to take place. In 2011, two local sugar companies were granted licenses to produce power for their own use and sell the surplus to the national grid. Otherwise, the Swaziland Electricity Company continues to dominate the sector. The insurance industry lost its monopoly status in 2006 and a regulatory office started operating in April 2007. The liberalization of the insurance industry saw four companies establishing their operations in the country. The Insurance Act of 2005 also required all local insurance companies, retirement funds and other related institutions to invest 30 percent of their assets in Swaziland by 2009. Privatization of the insurance services offers the possibility of joint ventures for foreign investors. The ICT sector continues to be dominated by the Swaziland Posts and Telecommunications Company (SPTC) and mobile phone operator MTN Swaziland.

Non-governmental organizations (NGOs) support foreign investment except when specific locally-owned businesses are threatened. NGOs may publicly protest and attempt to block the award of licenses, but in light of the need for increased jobs and revenue, there is firm government commitment to foreign investment.

The GKOS has recognized the need to facilitate a faster business registration process and curb other bureaucratic delays. The Swaziland Investment Promotion Authority was established to become a one-stop-shop for foreign investors and to design and implement strategies for attracting desired foreign investors. In 2011, SIPA continued to work with the Southern African Trade Hub (SATH) in implementing recommendations of the Investor Roadmap of 2005. An audit in 2009 by the Southern African Competitive Hub demonstrated that government had only completed 19 percent of the recommendations detailed in the Roadmap. A follow-up review conducted by SATH in August 2011, after SIPA had finished round consultations with lead ministries and agencies, revealed additional, but marginal, progress. By November 2011, Swaziland had implemented 23 percent of the Roadmap's recommendations. SIPA was more active in 2011 than in previous years and claimed it would spur other stakeholders to action.

In the World Bank's "Doing Business 2012," Swaziland ranked at 124 out of 183 countries, down one spot from 123 in 2011, for overall ease of doing business. It ranked 161 for starting a business, down from 157 in 2011. It also showed slightly lower rankings from the previous year in access to credit, enforcement of contracts, and protecting investors. The kingdom showed improvements in 2012 with respect to dealing with construction permits, getting electricity, and registering property. According to the Heritage Foundation's "Economic Freedom Index," Swaziland's economic freedom score is 59.1, ranking its economy 97 out of 179 countries in 2011. It ranked 12 out of 46 countries in the Sub-Saharan Africa region.

Over the past five years, Swaziland's annual economic expansion averaged 2.3 percent. Low productivity and sparse investment have contributed to sluggish economic growth. Corruption has had a negative impact on Swaziland's growth. Transparency International ranks Swaziland 95 of 178 in the world in its Corruption Perceptions Index, with a rating of 3.1.

Measure	Year	Index/Ranking
TI Corruption Index	2011	95
Heritage Economic Freedom	2011	97
World Bank Doing Business	2012	124
MCC Government Effectiveness	2012	-0.06 (45%)
MCC Rule of Law	2012	-0.02 (45%)
MCC Control of Corruption	2012	0.32 (69%)
MCC Fiscal Policy	2012	-6.0 (19%)
MCC Trade Policy	2012	69.7 (24%)
MCC Regulatory Quality	2012	-0.11 (41%)
MCC Business Start Up	2012	0.934 (30%)
MCC Land Rights Access	2012	0.505 (18%)
MCC Natural Resource Mgmt	2012	14.6 (18%)

Conversion and Transfer Policies

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The Central Bank's prior approval is necessary for all capital transfers into Swaziland from outside the Common Monetary Area (CMA) to avoid subsequent repatriation of interest, dividends, profits and other income accrued, but no restrictions are placed on the transfers. In practice, approval is routinely granted when required for genuine investment activity, but bureaucratic delays are common. When converting funds, the investor's bank uses its discretion to decide if there is a need to seek the Central Bank's approval.

No recent changes have been made to Swaziland's remittance policies.

There is a straightforward process for obtaining foreign currency. A resident requiring currency other than the Swazi Lilangeni (E) or South African Rand (accepted as legal tender with an exchange rate on a par with the Lilangeni) for permissible purposes must apply through an authorized dealer, and a resident who acquires foreign currency must sell it to an authorized dealer for local currency within 90 days. No person is permitted to hold or deal in foreign currency other than an authorized dealer. Authorized dealers in Swaziland are First National Bank of Swaziland (FNB), Nedbank, Standard Bank, and Swazi Bank.

The average delay period for remitting investments is dependent on the mode for remitting funds. SWIFT transfers average a week, while electronic transfers typically take less than a week.

Dividends derived from current trading profits are freely transferable on submission of documentation (including latest annual financial statements of the company concerned), subject to provision for the non-resident shareholders' tax of 15 percent. Local credit facilities may not be utilized for paying dividends. The Swazi government does not issue dollar-denominated bonds. There are no limitations on the inflow or outflow of funds for remittances.

The Central Bank of Swaziland monitors the flow of foreign investment in and out of the country, as it follows all foreign exchange. The Central Bank has formal powers to screen and regulate foreign exchange and investment, but these powers are exercised in a formal, routine, and equitable manner. The Central Bank, in July 2011, increased the deposit reserves requirement for local banks from 2.5 percent to 6 per cent of deposit liabilities in order to maintain liquidity in the country.

Expropriation and Compensation

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Expropriation and nationalization are prohibited. There have been no known cases of a foreign-owned business being expropriated. Swaziland's land tenure system can be confusing for investors. Approximately sixty percent of land is Swazi Nation Land, land held by the monarchy in trust for the people of Swaziland. Control over use of Swazi Nation Land is generally delegated to local chiefs. Settlement of disputes regarding traditionally held land can take years. Legality of land leases is sometimes unclear and uncertainty exists as to the details of land ownership rights. Clear titles can exist for non-Swazi Nation Land, generally located in municipalities. A Minister, with Cabinet permission, can publish in the Government Gazette a "notice of intention to take property," list the properties to be taken, and take them. Historically, this only affected properties with absentee landlords. According to the Constitution, the Land Management Board will vet applications by non-citizens to acquire land in the country.

It is unlikely that the Swazi government will engage in expropriatory actions in the near future. There are no sectors that are at risk for expropriation or any similar action. There are no laws forcing local ownership. There are no cases of "creeping expropriation."

Dispute Settlement

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Swaziland has a dual legal system consisting of Roman-Dutch law and customary law. This parallel system can be confusing and has, at times, presented problems for foreign-owned businesses. In addition to a Western-style court system, Swaziland's traditional courts, with the king as supreme authority, are available for dispute settlement. Swazi employees have brought grievances against foreign employers to these traditional courts. Such disputes, however, can be transferred to the formal court system at the option of the foreign employer/investor. The Industrial Relations Act of 2000 created the Conciliation, Mediation and Arbitration Commission to resolve employer-employee disputes.

The government generally has a sound record of handling investment disputes, with most investor disputes being employee-related. Official government intervention/arbitration is available upon request, but most investment disputes are handled within the judiciary system, usually via the Industrial Relations Court. In 2011, a lawyers' boycott sparked by the Chief Justice of the Supreme Court's handling of the controversial firing of a well-regarded Superior Court justice resulted in a judicial crisis in Swaziland lasting four months. It led to a backlog of cases, questions about the independence of the Swazi judiciary, and concerns with respect to individuals' ability to access justice. The crisis affected the Industrial Court to a lesser degree than other

courts and appeared to be resolved by the end of the year. There have been several investment disputes affecting foreign investors in the last few years, including challenges investors face when utilizing Swazi custom and law as the legal basis underpinning their contracts.

In general, the Swazi legal system has effectively enforced property and contractual rights. Judgments of foreign courts are accepted and enforced. The Companies Act of 2009 outlines commercial law. Swaziland's bankruptcy law, the Insolvency Act of 1955, is silent on the currency used in monetary judgments; however, international companies doing business in Swaziland include the currency to be used in the Memorandum of Agreement. The court has jurisdiction over the property of a person who has ordinarily resided in or carried on business for 12 months in Swaziland before the lodging of the petition.

The GKOS accepts binding international arbitration of investment disputes between foreign investors and the state. Any agreement with international investors/parties includes a clause stating where arbitration will take place and which laws will apply. Swaziland does not have a domestic arbitration body for investment disputes. Swaziland is a member of the International Centre for the Settlement of Investment Disputes (ICSID) and the Multilateral Investment Guarantee Agency (MIGA). There is no specific legislation providing for enforcement of ICSID awards.

Performance Requirements and Incentives

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The Government of the Kingdom of Swaziland does not maintain any measures that are alleged to violate the WTO's Trade Related Investment Measures requirements.

There are two performance requirements that may affect foreign business in Swaziland. Swazi government policy requires hiring qualified Swazi workers where possible. This has discouraged some business people from relocating to Swaziland, as it may present difficulties for spouses to find work. The other performance requirement affects only exporters who wish to label their product as made in Swaziland. Local export authorities require that the local content of such exports be at least 25 percent. This determination, however, is often difficult to make, and appears to be conducted on a case-by-case basis.

Investment incentives for qualifying investments, particularly those in export-driven manufacturing, mining, and international services, include human resources training rebate – a rebate of 150% of the cost is written against tax for training; at the discretion of the Minister of Finance; a tax rate of 10 percent for the first ten-year period, available for businesses that qualify under the Development Approval Order; capital goods imported into the country for productive investments are exempt from import duties; raw materials imported into the country to manufacture products to be exported outside the SACU area are also exempt from import duties; repatriation of profits and dividends including salaries for expatriate staff and capital repayments; the Central Bank of Swaziland guarantees loans raised by investors for the export market. There is also provision of loss cover, which a company can carry over in case it incurs a loss in the year of assessment.

There are no performance requirements for establishing, maintaining, or expanding an investment. To receive duty-free status on capital goods imports, the investment must be considered productive.

There are no requirements regarding the purchase or export of goods.

There is no requirement on composition of ownership, equity diversification, or that there is a technology transfer.

The Swazi government does not impose "offset" requirements.

The law does require companies to employ Swazi nationals, unless they cannot find a qualified national.

There are no enforcement procedures for performance requirements. The updated Companies Act expects companies to lodge annual returns with the Registrar of Companies. The return should include the name of the auditors, nominal and issued share capital, names and addresses of members (in case of a private company), among other requirements. Investors are not required to disclose proprietary information as part of the regulatory process.

U.S. and foreign firms are not able to participate in government financed and/or subsidized research and development programs.

Residence and work permits are a major source of tension between the expatriate business community and a government otherwise well disposed toward foreign investment. All foreign nationals working in Swaziland require work and residence permits. Employers must apply to the Immigration Office for a work permit, demonstrating that no Swazi is available to fill the vacancy. Although they generally are awarded, expatriate business people complain that the process is cumbersome, exasperating, and is a reported source for unofficial "expedition" payments. Residence permits are good for five years for expatriate directors, senior management and key technical personnel of new companies, at which time they must be renewed. Recently, work permits for some prominent business people have not been renewed, with no reasonable explanation given.

There are no discriminatory or preferential export or import policies affecting foreign investors.

Right to Private Ownership and Establishment

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The majority of Swaziland's largest businesses are owned by foreign investors, either fully or with minority participation by Swazi institutions. There are no restrictions on foreign ownership that are discriminatory against foreign investors. Foreign firms in Swaziland often dominate the sectors they are in and therefore receive preferential treatment in matters of supplies and other necessities, even where there are Swazi enterprises in the same sector. Both foreign and domestic private entities have a right to establish businesses, and acquire and dispose of interests in business enterprises.

Protection of Property Rights

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The Swazi government recognizes and enforces secured interests in property, both moveable and real. There is a recognized and reliable system of recording such security interests. The legal system protects and facilitates acquisition and disposition of property. Adherence to key international agreements on intellectual property rights is minimal.

Protection for patents, trademarks and copyrights is currently inadequate under Swazi law. Patents are currently protected under a 1936 act that automatically extends patent protection, upon proper application, to products that have been patented in either South Africa or Great Britain. The African Regional Industrial Property Organization in Harare assisted in drafting a new patent law. The draft law includes protection for pharmaceutical and agricultural chemical products.

Trademark protection is addressed in the 1994 Trademarks Act. Copyright protection is addressed under four statutes, dated 1912, 1918, 1933 and 1936.

Swaziland inherited its intellectual property rights regime from the colonial era, under which copyrights, patents, and trademarks were somewhat protected under various acts promulgated by the colonial authorities. According to the Registrar General, the acts have not been implemented and copyright protection in Swaziland is "limited." In May 2010, a bill on The Copyright and Neighboring Rights was sent to parliament. Although not yet passed by parliament, the bill, when it becomes law, will repeal the 1912 Copyright Act. Swaziland does not have a bilateral copyright agreement with the United States.

There are no ongoing disputes with regard to patents, trademarks, or copyrights in Swaziland.

The government has acceded to the WTO TRIPS agreement. Implementation and enforcement are minimal due to the small number of patent disputes. The GKOS has not signed the WIPO Internet agreement.

Transparency of Regulatory System

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In general, Swaziland's tax, labor, environment, health and safety, and other laws do not distort or impede investment. However, in many areas, the legal and regulatory environment is underdeveloped, opaque, or unpredictable. For instance, Swaziland does not have an approved trade policy, investment policy, or industrial policy. Also the lack of enabling legislation and an independent regulator allow for the continued monopolistic nature of the ICT sector. The country's Economic Recovery Strategy specifically identifies the need to promote an enabling policy, regulatory, legislative and institutional environment in order to facilitate investment.

Proposed laws and regulations are published in the government Gazette for public comment thirty days prior to a bill's presentation to Parliament. Ministries sometimes consult with selected members of the public and private sector.

The Competition Commission whose duty it is to end the monopolies of parastatals is in place and the office is fully functioning. The Commission will be governed by the public enterprise unit law. It is the government's stated policy to foster a free market economy, and the government's decisions in individual matters have generally upheld that objective. At the same time, government has not been active in promoting competition in certain industries, such as ICT.

There are no informal regulatory processes.

There are no efforts to restrict foreign participation in industry standards-setting organizations.

Efficient Capital Markets and Portfolio Investment

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The kingdom's efficient capital markets are closely tied to those of South Africa and operate under conditions generally similar to the conditions of that market. Commercial banks offer credit on market terms, but the rules of the Common Monetary Area forbid non-Swazis from raising domestic loan capital, although they can apply to the Central Bank for an exception. This restriction has not greatly discouraged foreign capital flows into Swaziland in the past, but could increasingly sour the Swazi investment climate as regional competitors build investment regimes more attractive to foreign business.

At present, the government is trying to put in place an effective regulatory system to encourage portfolio investment. In 2010, it enacted the Securities Act, which will strengthen the regulation of such investment. This Act's aim is primarily to facilitate and develop an orderly, fair and efficient capital market in the country. Swaziland has a small stock exchange with six companies currently trading two types of shares, equity shares and bonds. Another related legislation is the Financial Services Regulatory Authority (FSRA) Act 2010 that came into force in June 2010. This act governs non-bank financial institutions including capital markets, insurance, retirement fund, building societies, micro-finance institutions and Savings and Credit Co-operatives.

The Central Bank supervises financial institutions, which include the First National Bank of Swaziland Limited, Nedbank, Standard Bank, Swazi Bank, Swaziland Building Society and the Blue Financial Services (Pty) Ltd. These are governed by the Financial Institutions Order of 1975.

"Cross share-holding" and "stable shareholder" arrangements do not exist in Swaziland. There have been no hostile takeovers by domestic or foreign interests. Since Swaziland's financial markets are just emerging, a variety of credit instruments have yet to be developed.

Competition from State Owned Enterprises

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Private enterprises and public enterprises operate in different investment climates. Public enterprises often are responsible for charging levies for supplies imported by private enterprise in which the public enterprise also competes. Examples of this occurrence include the milk, vegetable, and maize industries. A private enterprise that imports wheat and wheat products was given a monopoly.

Senior management of State Owned Enterprises (SOEs) reports to a board which, in turn, reports to the line minister. A senior member of the ministry sits on the board. SOEs are governed by the Public Enterprises Act which requires audits of the SOEs and public annual reports.

A sovereign wealth fund known as Tibiyo taka Ngwane, which was created through royal charter, forms joint ventures with foreign investors. Tibiyo taka Ngwane is held by the king in trust for the Swazi nation and is considered separate from the government. It is run as a corporate social investment entity.

Corporate Social Responsibility

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Multinational enterprises in the country take their corporate social responsibility seriously, and consumers often recognize their efforts.

Political Violence

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In 2011, there were no major incidents of political violence undertaken by dissidents or labor organizations aimed at destroying commercial installations in Swaziland. During the year, the country experienced an increase in labor protests, mainly from civil servants. Teachers and other civil servants took to the streets on multiple occasions in 2011 in attempts to influence government action to resolve the kingdom's ongoing fiscal crisis. Angered by the prospect of certain proposed measures to reduce the government's bloated wage bill, including salary reductions and retrenchments, civil servants staged protest marches. They also protested in favor of other measures, such as reversal of a decision to cut student allowances and action to reduce benefits paid to high-ranking government officials. Although labor actions mounted by labor unions contained political overtones due to restrictions on political parties, they did not result in destruction of commercial property.

In April 2011, two members of political formations were arrested for possession of explosives and released on bail. They are currently awaiting trial. The trial of the survivor of the September 2008 highway bridge attempted bombing is ongoing in the country's courts.

Corruption

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Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets

should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at:
<http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. Swaziland is a party to the African Union Convention on Preventing and Combating Corruption and Related Offences, and the SADC Protocol against Corruption. But generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Swaziland is not a signatory to the OECD Convention on Combating Bribery.

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption

such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Swaziland is a signatory to the UN convention but has not yet ratified it.

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption; provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) Swaziland is not a party to the OAS Convention.

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see www.coe.int/greco.) Swaziland is not a party to the Council of Europe Criminal Law and Civil Law Conventions.

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. In 2008, the Southern African Customs Union (SACU) and the U.S. signed a Trade, Investment, and Development Cooperative Agreement. Swaziland in 2000 became a beneficiary of the African Growth and Opportunity Act.

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company's overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above. Nevertheless, public sector corruption remains a challenge for U.S. firms operating in Swaziland.

In his 2011 medium-term budget policy speech, Swaziland's minister of finance stated that corruption continued to be a major problem in the country and attributed the loss of E80 million (approximately USD 11.02 million) each month to corruption. While the finance minister promised additional resources for the country's Anti-Corruption Commission, Prime Minister Barnabas Sibusiso Dlamini expressed a lack of confidence in the institution. Reports of official corruption at the highest levels of government are increasing and low-level corruption is pervasive.

On August 23, 2011, the government passed The Procurement Act whose aim is to provide regulation and control practice in respect of public procurement. Giving or receiving a bribe is illegal. A convicted person faces a maximum of a 100,000 emalangeni (approximately USD 13,774) fine or ten years imprisonment. A convicted law enforcement officer or public prosecutor faces a maximum fine of 200,000 emalangeni (approximately USD 27,548) or twenty years in prison.

Swaziland is a signatory to the UN Anti-Corruption Convention, African Union Convention on Preventing and Combating Corruption and Related Offences, and the SADC Protocol against Corruption. It has not ratified the UN Anti-Corruption Convention. Swaziland is not a signatory to the OECD Convention on Combating Bribery.

Foreign and domestic businesses have indicated that corruption and bribery requests impact profits, contracts and investment decisions for their companies.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of

the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.

- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

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Swaziland has investment agreements with Great Britain, Germany, and the European Union (EU). The Cotonou Agreement between the EU and the African, Caribbean and Pacific (ACP) countries expired on December 31, 2007. Swaziland has signed an interim Economic Partnership Agreement (EPA) with the EU. In 2008, SACU and the U.S. signed a Trade, Investment, and Development Cooperative Agreement.

Swaziland has bilateral investment protection agreements with Egypt, Germany, Taiwan, Mauritius, and the United Kingdom.

Swaziland does not have a bilateral investment or bilateral taxation agreement with the United States.

OPIC and Other Investment Insurance Programs

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The Overseas Private Investment Corporation (OPIC), the U.S. Trade and Development Guarantee Agency, and the Multilateral International Guarantee Agency have been active in Swaziland and are sources for export financing and insurance.

In 2011, the Embassy used approximately USD 7,162,565.65 (E 52,000,226.65) in local currency. The average exchange rate in 2011 was 7.26 emalangeni for one U.S. dollar. The Embassy purchases local currency at the official exchange rate. In 2011, the lilangeni appreciated by 6.71 percent compared with the appreciation of 1.60 percent the previous year.

Labor

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High HIV/AIDS prevalence rates, estimated at 26 percent of the adult population in 2007, have had an impact on economic growth in Swaziland, and companies need to take illness among its employees into account when making management decisions. There is a high level of domestic underemployment and a severe shortage of technically skilled labor, a fact that results in a heavy reliance on expatriate technicians, accountants, and engineers.

Swaziland adheres to the International Labor Organization (ILO) conventions protecting workers' rights. Labor–management relations are generally amicable. Strikes did occur periodically throughout the year. According to the Industrial Relations Act, workers can engage in a strike action if there is an unresolved dispute. The party that intends to go on strike needs to give notice to the employer, Labor Commissioner, and the Conciliation, Mediation and Arbitration Commission. Within seven days CMAC should arrange and supervise a secret ballot to determine whether the majority of employees are in favor of the strike action.

Foreign-Trade Zones/Free Ports

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Swaziland does not have any free trade zones, but supports four industrial areas. The largest is in Matsapha, located between the primary cities of Mbabane and Manzini. It has direct rail and road links. The Matsapha Industrial Estates dry port maximizes time and cost savings for importers and exporters using the ports of Durban and Port Richard's Bay, South Africa and Maputo, Mozambique.

Foreign Direct Investment Statistics

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The Central Bank tracks foreign direct investment by type and sector. Preliminary data indicate an increase in overall stock to USD 893.14 million (E 6,484.2 million) in 2010, reflecting a lower growth of 8.6 percent compared with the growth of 18.4 percent in 2009. Reinvestment of earnings and short term capital contributed to the 8.6 percent growth. Equity and long-term capital recorded negative growth of 28 percent in 2010. This is an indication that the economy lacks fresh inflows of FDI. An analysis of FDI by type reflects that reinvestment earnings are the major driver of FDI accounting for 64 percent of the total FDI in 2010. Some profitable companies ploughed back their profits for purposes of expansion. These companies reinvested their profits to generate their own power. This raised reinvested earnings by 51.5 percent to USD 573.42 million (E 4,163.1 million) in 2010. The closure of SAPPI (a wood pulp producing mill) played a pivotal role in the decline of stock of equity capital in 2010. The stock of equity capital fell by 21.8 percent to USD 62.16 million (E 451.3 million) from a marginal growth of 1.7 percent in 2009.

The opening up of the insurance industry in the country resulted in sizeable capital inflows from the region, mainly South Africa. This boosted FDI inflows to the insurance services industry which in turn had an impact on the services industry. The long-term capital component of FDI declined significantly by 59.6 percent to USD 110.7 million (E 803.7 million) during 2010 due to the loan repayments to parent companies by FDI enterprises. The manufacturing sector continues to be the leading contributor to the total stock of FDI, standing at USD 493.29 million (E 3,581.3 million), and it accounted for 55.2 percent of the total FDI in 2010. The introduction of a new mining concern, Salgaocar Swaziland, represented the most important foreign direct investment in 2011.

There is no specific policy for encouraging Swazis or Swazi businesses to invest abroad. A number of Swazi businesses do have investments abroad, primarily in South Africa.

Total Foreign Direct Investment into Swaziland by Type, 2006-2010
(USD Million)

	2006	2007	2008	2009	2010 (prelim)
Equity	105.64	110.59	78.17	79.52	62.16
Reinvested Earnings	432.02	495.45	317.13	378.57	573.43
Long-term Capital	130.27	132.95	233.37	273.76	110.70
Short-term Capital	129.83	95.17	65.88	90.50	146.86
TOTAL FDI	797.78	834.16	694.56	822.34	893.14
Change in Total FDI (%)	16.5	4.6	-16.7	18.4	8.6
Change excluding reinvested Earnings (%)	14.2	-7.4	11.4	17.6	-28.0
Average Inflation (%)	5.3	8.1	12.6	7.5	4.5

Source: Central Bank of Swaziland

Note: Figures reported in historical E, converted using 2011 average exchange rate
USD1/E7.26

Total Foreign Direct Investment into Swaziland by Sector, 2006-2010
(USD Million)

	2006		2007		2008	
	STOCK	CHANGE (%)	STOCK	CHANGE (%)	STOCK	CHANGE (%)
Manufacturing	461.62	7.7	466.59	1.1	369.70	-20.8
Services	100.81	117.1	128.79	27.7	91.26	-29.1
Investment	24.56	43.7	39.18	39.3	33.00	-3.5
Agriculture	144.86	8.3	134.98	-6.8	99.17	-26.5
Finance	51.42	6.2	58.89	14.5	100.73	71.1
Mining	10.68	0.0	10.68	0.0	4.99	-.69
TOTAL	793.95		834.13		694.56	

	2009 (revised)		2010 (prelim.)	
	STOCK	CHANGE (%)	STOCK	CHANGE (%)
Manufacturing	416.74	12.7	493.29	18.4
Services	124.73	36.7	101.79	-18.4
Investment	35.08	6.3	36.54	4.2
Agriculture	198.93	0.0	161.75	35.8
Finance	127.42	26.6	90.27	-29.2
Mining	-0.80	-216.0	9.49	1,288.6
TOTAL	822.35		893.14	

Source: Central Bank of Swaziland

Note: Figures reported in historical E, converted using 2011 average exchange rate
USD1/E7.26

Web Resources

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Export-Import Bank of the United States: <http://www.exim.gov>
Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html
OPIC: <http://www.opic.gov>
Trade and Development Agency: <http://www.tda.gov/>
SBA's Office of International Trade: <http://www.sba.gov/oit/>
USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>
U.S. Agency for International Development: <http://www.usaid.gov>
African Development Bank: <http://www.afdb.org>
Southern Africa Global Competitiveness Hub: <http://www.satradehub.org>
Swaziland Industrial Development Company: <http://www.sidc.co.sz>
Tibiyo Taka Ngwane: <http://ww2.tibiyo.com>

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Chapter 7: Trade and Project Financing

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- [How Does the Banking System Operate](#)
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- [U.S. Banks and Local Correspondent Banks](#)
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How Do I Get Paid (Methods of Payment)

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Swaziland importers utilize most of the standard payment methods available in international commerce. The most commonly used are:

- Cash in Advance
- Letters of Credit (LC),
- Bank Collections and Bills of Exchange
- Open Account
- Sales on Consignment
- International Money Transfers

American exporters should offer quotations based on the f.o.b. value at the port of export. As a general rule, such quotations should also include a statement of the actual charges for freight and insurance, plus any additional charges, to the port of delivery. Quotations are usually in terms of the currency of the country of origin. The terms of payment for imported goods vary according to the type of buyer and the buyer's access to capital.

How Does the Banking System Operate

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The Central Bank of Swaziland is the monetary authority responsible for management of the country's foreign exchange reserves, administration of exchange controls, and regulation of financial institutions.

There are four commercial banks operating in Swaziland: First National Bank of Swaziland, NedBank, SwaziBank, and Standard Bank. Each of the operating banks has at least two branches. Normal banking facilities are provided at all four banks and interest rates on borrowing are below those in South Africa. The prime rate is 9.0 percent and the mortgage rate is 7.0 percent (January 2012).

Through Swaziland's membership in the Common Monetary Area (CMA), after-tax profits can be repatriated anywhere the investor chooses. The corporate tax rate is 30 percent, and new businesses can apply for a 10-year rate of 10 percent. Dividends,

subject to a withholding tax of 15 percent, are likewise freely remitted. There are no exchange regulations affecting transactions within the CMA.

Export financing is available through the Export-Import Bank but must be applied for by a Swazi partner. There are no Export-Import Bank bundling facilities in Swaziland. Project financing is available through such multilateral institutions as the World Bank and African Development Bank. In the past, resources have gone largely to infrastructure development, including roads and irrigation systems.

Foreign-Exchange Controls

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Exchange controls are currently administered by the Central Bank Exchange Control Department. All international commercial transactions must be through authorized foreign exchange dealers.

U.S. Banks and Local Correspondent Banks

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Banks with correspondent U.S. banking arrangements are:

- First National Bank of Swaziland Limited
- Nedbank
- Standard Bank

Project Financing

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Swaziland Industrial Development Company (SIDC)

SIDC is prepared to take up shares, thereby providing equity finance where required. SIDC also offers medium- to long-term loans and leases factory space. SIDC will only participate in projects that are technically feasible, financially viable, and soundly managed. SIDC gives priority to projects which provide permanent employment, generate foreign exchange, and improve Swaziland's human capacity.

Swaziland Investment Development Company
P.O. Box 866
Mbabane
Tel: (+268) 2404-4010/2
Fax: (+268) 2404-5619
<http://www.sidc.co.sz>

Tibiyo Taka Ngwane

Tibiyo Taka Ngwane conducts free enterprise business on behalf of the Swazi Nation with the King serving as Trustee. Tibiyo has a portfolio of nearly 30 interests in sectors including mining, manufacturing, property, finance, agriculture, tourism, and transportation.

Tibiyo frequently works in partnership with major companies and international development agencies.

Tibiyo Taka Ngwane
P.O. Box 181
Kwaluseni
Tel: (+268) 2518-4390
Fax: (+268) 2518-4399
<http://ww2.tibiyo.com>

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

African Development Bank: <http://www.afdb.org>

Southern Africa Global Competitiveness Hub: <http://www.satradehub.org>

Swaziland Industrial Development Company: <http://www.sidc.co.sz>

Tibiyo Taka Ngwane: <http://ww2.tibiyo.com>

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Chapter 8: Business Travel

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Business Customs

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Business customs in Swaziland are generally similar to those in the United States and Western Europe. Swazi business people tend to dress conservatively, particularly in the banking sector. However, “smart-casual” clothing has become increasingly popular. Also Swazi traditional attire is considered appropriate for all occasions. Terminology used in business invitations etc, are:

- Black Tie (dark suit and tie or tuxedo or formal evening dress)
- Business (jacket and tie or a business dress)
- Smart Casual (casual clothing with or without tie, but no jeans and no sneakers)
- Casual (includes jeans but no sport shorts)
- Traditional (Swazi traditional attire or anyone’s traditional gear)

Business cards are usually simple, including only the basics such as company logo, name, business title, address, telephone number, fax number, e-mail, and web-address. Swazis have a problem with keeping especially for national functions but for business they are usually punctual, and try and make an effort to be on time for appointments. Appointments should be made in advance of a business visit.

Foreigners still largely dominate the Swazi business sector and the Swazi business community has experience with foreign businesspeople. Nevertheless, a familiarity with some Swazi social and cultural customs would be helpful to any American planning on doing business in the country.

Although Swazi society appears open to outsiders, it is only so on a superficial level. Developing strong institutional and personal relations is possible in Swaziland but takes time. Newcomers are advised to appreciate what is and what is not considered the “Swazi way.”

Historically, there has been little indigenous entrepreneurship. Swazis are accustomed to working for wages, not starting their own businesses. There is, however, a fledgling but growing Swazi entrepreneurial community.

Swazis tend to be more relaxed and easy-going in business style, both in behavior and ethics. Business is built less around principles and the honor of a person's word than on the basis of what works at the time. This can be disconcerting to some Americans.

Quality customer service is not widely practiced. According to a Swazi businessman trained in the United States, customer service is a new idea to many Swazis and something that must be taught.

Decision-making is not always a quick or easy process. Some Swazis may say "yes" merely out of politeness. Traditionally, decisions are made communally, not individually. Standing against the majority is not easy. Americans should be conscious of this and not expect rapid decisions.

Swazis tend not to be confrontational and at times not forthcoming with opinions. Rather, they tend to express themselves in a roundabout manner. Speaking one's mind, even when solicited, is not as respected as it is in the United States. This can clash with the American tendency to be very direct.

In making business deals with Swazi partners, bargaining is common and expected. It is not an insult to try and talk somebody to lower the price.

Foreign business people have noted that native Swazis can have a difficult time assuming managerial roles. One factor that impinges on their decision-making freedom is reluctance to fire workers or employees connected to the royal family.

Travel Advisory

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Please view the Consular Information Sheet for Swaziland:

http://travel.state.gov/travel/cis_pa_tw/cis/cis_1031.html

Visa Requirements

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A passport is required. U.S. citizens do not need a visa for short visits of up to 60 days for tourism and business. Permission-to-stay is initially granted for 30 days and can be renewed for a total of 60 days. For further information on visa requirements, contact the Embassy of the Kingdom of Swaziland, 1712 New Hampshire Avenue, NW, Washington, DC 20009, phone (202) 234-5002.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>

United States Visas.gov <http://evisaforms.state.gov/SchedulingSystem.asp>

Consular services for American Citizens: <http://swaziland.usembassy.gov>

Telecommunications

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Direct dialing is available to many countries, including the U.S. Cellular services are provided by one cellular provider. Several internet service providers are available. Swaziland telecommunications costs, including ADSL, remain among the highest in the world and service is often inconsistent.

Transportation

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Flights from Matsapha Airport, near Manzini, link Swaziland with Johannesburg, Maputo, and Durban. Flights use small propeller planes and are fairly reliable. Good roads link Swaziland to South Africa and Mozambique.

Owning a private car is essential in Swaziland, as public transportation is not reliable or safe. Taxis and buses run in the major towns, but it is not advisable to use them. Paved roads link the main centers, but most side roads are unpaved, dusty, and uneven during the dry season and slippery during the rainy season.

Motor vehicle registration is simple, provided the car is in good working condition. All cars require a roadworthiness certificate issued by the Ministry of Public Works and Transportation.

Unleaded gasoline is available but the octane rating is not as high as in the U.S. Third-party insurance is covered by a levy included in the gasoline price.

It is highly recommended that travelers to Swaziland consider making use of car hire facilities. These can be pre-arranged. Car hire groups represented include Europcar (<http://www.europcar.com/car-SWAZILAND.html>), Comprehensive Car Hire (<http://www.comprehensivecarhire.com>). Swaziland drives on the left-hand side of the road.

Language

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English and siSwati are the official languages, and English is the official written language. Businesspeople will have little trouble being understood by educated Swazis.

Health

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Medical facilities are limited throughout Swaziland. Although the Mbabane Clinic in the capital is small, it is well equipped and well staffed for minor procedures. For advanced care, Americans often choose to go to South Africa where better facilities and specialists exist. Most prescription drugs are available locally or can be imported from South Africa,

but travelers are advised to bring sufficient quantities of their own required medication. A doctor's note describing the medication may be helpful if questioned by authorities.

Malaria prophylactics are recommended for travel to the lowlands of Swaziland. Hepatitis A and Hepatitis B vaccinations are recommended. Rabies exists in all areas of Swaziland, including Mbabane. Those people who wish to walk or jog on the city's streets are advised to be vaccinated with HDCV.

Per capita, Swaziland has more HIV-infected persons than any other country in the world. All of the usual precautions must be taken to avoid this easily prevented infection. In the event of sexual assault, it is recommended that the victim take postexposure prophylactics as soon as feasible, and certainly within 48 hours.

Information on vaccinations and other health precautions, such as safe food and water precautions and insect bite protection, may be obtained from the Centers for Disease Control and Prevention's hotline for international travelers at 1-877-FYI-TRIP (1-877-394-8747); fax 1-888-CDC-FAXX (1-888-232-3299), or via the CDC's Internet site at <http://www.cdc.gov/travel>.

Local Time, Business Hours, and Holidays

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New Year's Day, Jan. 1
Good Friday, Mar./Apr. (TBA)
Easter Monday, Mar./Apr. (TBA)
King's Birthday, Apr. 19
National Flag Day, Apr. 25
National Worker's Day, May 1
Ascension Day, May (TBA)
Public Holiday, July 22 (birthday of King Sobhuza II)
Umdlhlanga (Reed Dance), Aug./Sept. (TBA)
Somhlolo (Independence Day), Sept. 6
Christmas Day, Dec. 25
Boxing Day Dec. 26
Incwala, Dec./Jan. (TBA)

Swazi holidays falling on a Sunday are observed on the following Monday. Holidays falling on a Saturday are observed on that day, unless the government makes an announcement to the contrary.

Work Week: Monday-Friday, 8 a.m.- 5 p.m.

In 2011 Swaziland Parliament passed the Shop Trading Hours Act which allowed shops to open for 24 hours except on restricted trading day.

Temporary Entry of Materials and Personal Belongings

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Travelers must declare all goods in their possession with the exception of personal clothing, essential toilet articles and used sporting equipment. In order to be free from

declaration, these goods must be for the passenger's personal use and not intended as gifts or to be sold, exchanged, or traded. All articles, used or unused, carried by the visitor as presents or parcels for other persons, must be declared. There are no restrictions on the amount of Dollars that may be taken into Swaziland but documentation on the source of the money must be presented to the Customs officials.

U.S. Dollars cannot be used in Swaziland and must be converted into local currency. Conversion must be done by an authorized foreign exchange dealer, i.e. commercial banks.

If a visitor wishes to sell his/her vehicle during his/her stay or upon departure, he/she must first obtain an import permit and pay the relevant duty.

Web Resources

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Swaziland Tourism Authority
<http://www.welcometoswaziland.com>

Central Bank of Swaziland
<http://www.centralbank.org.sz>

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Chapter 9: Contacts, Market Research and Trade Events

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- [Market Research](#)
- [Trade Events](#)

Contacts

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Swaziland Business Year Book 2005
P.O. Box 592
Mbabane H100, Swaziland
Tel.: (268) 2404-3400
Fax: (268) 2404-3400
E-mail: cft@realnet.co.sz
<http://www.swazibusiness.com/sbyb/>

International Trade Department
Trade Promotion Unit
Ministry of Foreign Affairs and Trade
P. Box 418 Mbabane
Tel.: (268) 2404-5180
Fax: (268) 2404-3833
Mob: (268) 617-2961
E-mail: itd@realnet.co.sz
<http://www.gov.sz/>

Swaziland Investment Promotion Agency: <http://www.sipa.org.sz/>

Tibiyo Taka Ngwane: <http://ww2.tibiyo.com>

Swaziland Industrial Development Company: <http://www.sidc.co.sz>

Federation of Swaziland Employers and Chamber of Commerce
Emafini Business Centre
Malagwane Hill
P.O. Box 72
Mbabane H100, Swaziland
Tel.: (268) 2409-0768/4408
Mob: (268) 7603-8545/(268) 7605-7950
Fax: (268) 2409-0051
E-mail: zodwa@business-swaziland.com
<http://www.business-swaziland.com>

Hotels and Tourism Association
Mbabane, Swaziland
Tel.: (268) 2404-2218

Mob: (268) 7604-1529
E-mail: aliand@realnet.co.sz

Swaziland Handicraft Association
Tel.: (268) 7614-9097

Swaziland Association of Architects, Engineers, and Surveyors
P.O. Box A387, Swazi Plaza
Tel.: (268) 2404-2309
Fax: (268) 2404-2309
E-mail: ribar@africaonline.co.sz

The Building Contractors Association
P.O. Box 518
Mbabane H100, Swaziland
Tel.: (268) 2404-0071
Fax: (268) 2404-4258
E-mail: soconswad@realnet.co.sz

Market Research

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To view market research reports produced by the U.S. Commercial Service please visit: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

<http://buyusa.gov/southafrica/en/332.html>

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link:
<http://www.buyusa.gov/southafrica/>

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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